

Message Text

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17

ACTION EB-11

INFO OCT-01 EA-11 NEA-10 ISO-00 CIAE-00 COME-00 DODE-00

FMC-04 INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06

PM-07 NSC-10 SPC-03 SS-20 L-03 OMB-01 SCI-06 CEQ-02

SCEM-02 TRSE-00 INT-08 AGR-20 EUR-25 STR-08 DRC-01

/172 W

----- 117199

R 290645Z DEC 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 132

INFO AMCONSUL MEDAN

AMCONSUL SURABAYA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO 2250

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMCONSUL HONG KONG

AMEMBASSY JIDDA

AMEMBASSY SAIGON

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E.O. 11652: N/A

TAGS: ETRN,ENRG,ID

SUBJECT: BUNKER FUEL FOR VESSELS

REF: A. STATE 249991 (NOTAL); B. JAKARTA 14838; C. STATE 244003;

D. JAKARTA 14151

1. SUMMARY. WE SEE NO CLEAR INDICATION THAT INDONESIAN
DISCRIMINATION AGAINST FOREIGN SHIPPING IS CURRENTLY
A PROBLEM TO THE LATTER, INCLUDING SHIPS INVOLVED IN
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U.S. TRADE. THIS SO EVEN THOUGH IT APPEARS INDONESIAN

VESSELS ARE RECEIVING OR MAY RECEIVE PREFERENCE IN CONSIDERATION FOR BUNKERS. NO OFFICIAL CLARIFICATION YET AVAILABLE. HAVE CONVEYED USG POSITION REF C TO GOI AUTHORITIES. ACTION REQUESTED: GUIDANCE ON THRUST OF USG REGULATIONS OPPOSING DISCRIMINATION IN ALLOCATION OF FOREIGN BUNKERS. END SUMMARY.

2. SHIPPING COMPANY SOURCES GENERALLY CONCUR IN REPORTING FOLLOWING "INFORMAL" BUNKER PRIORITY LIST NOT ALTOGETHER CONSISTENT WITH REF D:

- A. INDONESIAN OWNED OR CHARTERED (E.G., PERTAMINA) TANKERS;
- B. INDONESIAN OWNED OR CHARTERED VESSELS CARRYING ESSENTIAL COMMODITY IMPORTS; E.G., RICE, FERTILIZER;
- C. OTHER INDONESIAN OWNED OR OPERATED VESSELS;
- D. FOREIGN VESSELS CARRYING ESSENTIAL COMMODITY IMPORTS;
- E. FOREIGN VESSELS REGULARLY CALLING IN INDONESIAN AND ACCUSTOMED TO OBTAINING BUNKER HERE.

LIST HAS NOT BEEN ACKNOWLEDGED BY ANY GOI OFFICE AND, AT INSISTENCE OF SHIPPING COMPANY SOURCES, SHOULD BE TREATED AS PRIVILEGED INFORMATION.

3. THERE ARE VARIOUS REPORTS ABOUT APPLICATION OF BUNKER PRIORITIES. ON THE ONE HAND IT IS UNDERSTOOD THAT INDONESIAN VESSELS ARE OBTAINING BUNKER IN DESIRED QUANTITIES; ON OTHER, WE HEAR (UNCONFIRMED) THAT SAMUDRA INDONESIA LINE HAS HAD TO CANCEL ONE OF ITS REGULAR EUROPEAN SERVICES. ONE RELIABLE SOURCE REPORTS THAT NON-INDONESIAN COMPANIES WHO ARE ESTABLISHED PERTAMINA CUSTOMERS CAN CONTINUE DRAW BUNKERS BUT NOT FOR FULL AMOUNTS REQUESTED. OPERATIONS EVIDENTLY BEING ASKED SUPPORT THEIR REQUESTS WITH DETAILS RE DISTANCE THEIR NEXT PORT OF CALL, BUNKER AND CARGO CAPACITY, AMOUNT OF FUEL ALREADY ON BOARD, AMOUNTS AND TYPE OF CARGO FOR INDONESIA, WHETHER AND WHAT INDONESIAN EXPORTS CARRIED ON OUTWARD VOYAGE.

4. INQUIRIES WITHIN SHIPPING COMMUNITY DISCLOSE CURRENT BUNKER SHORTAGE DEVELOPED WHEN, CIRCA NOVEMBER, PERTAMINA ACCEPTED UNACCUSTOMED NUMBER OF REQUESTS LIMITED OFFICIAL USE

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FROM SHIPPING COMPANIES UNABLE TO OBTAIN BUNKER IN USUAL AMOUNTS FROM USUAL SOURCES. FEW FOREIGN LINES HAD PREVIOUSLY BEEN PERTAMINA CUSTOMERS BECAUSE OF PRICE DIFFERENTIALS IN FAVOR OF OTHER SUPPLIERS. THE FOREIGN LINES HAVE IN THE PAST FEW WEEKS EXPERIENCED INCONVENIENCE ARISING FROM UNAVAILABILITY HERE OF BUNKER IN DESIRED AMOUNTS AND TYPE, AND FOR LACK OF CLARITY AS TO WHO ACTUALLY HAD THE AUTHORITY

TO MAKE BUNKER ALLOCATIONS. ON THE OTHER HAND
CONSENSUS SEEMS TO BE THAT AUTHORITIES HAVE GIVEN
ADEQUATE CONSIDERATION TO OPERATORS' INTERESTS IN
ALLOCATING BUNKER SUPPLIES AND HAVE RESPONDED THEIR
MINIMUM NEEDS. AT LOCAL LEVEL WE HAVE HEARD NO
COMPLAINTS, EVEN THOUGH CONVICTION THAT INDONESIAN
COMPANIES RECEIVE PREFERENCE IS WIDESPREAD.

5. WE ARE AWARE NO EXAMPLES OF HARDSHIP CAUSED
BY DISCRIMINATION AGAINST:
A. U.S.-FLAG VESSELS;
B. U.S.-OWNED VESSELS;
C. VESSELS ENGAGED IN U.S. TRADE.

U.S. FLAG VESSELS APL AND AMERICAN MAIL DO NOT
NORMALLY BUNKER HERE AND SO HAVE WEAK CLAIM ON
PERTAMINA'S DEPLETED SUPPLIES. LYKES, REGULAR
PERTAMINA CUSTOMER, ON ONE RECENT OCCASION OBTAINED
ONLY HALF AMOUNT BUNKER REQUESTED. THIS DID NOT
APPARENTLY IMPEDE OPERATIONS. AMERICAN-OWNED
VESSELS: STATES MARINE ISTHMIAN HAS HAD NO
VESSELS CALL SINCE SHORTAGE DEVELOPED; EVERETT
NORMALLY BUNKERS ELSEWHERE. LEADING OPERATOR
OF U.S. SERVICE, MAERSK, NORMALLY OBTAINS BUNKER
ELSEWHERE.

6. WE CONTINUE TO SEEK APPOINTMENT WITH DIRECTOR
GENERAL SEA COMMUNICATIONS IN ORDER OBTAIN CLARIFICA-
TION GOI CURRENT BUNKERING PRIORITIES,
PRACTICES, AND INTENTIONS, AND TO DISCUSS WITH HIM
USG VIEWS AND OBLIGATIONS RE DISCRIMINATION IN
BUNKERING (REF A). HIS OFFICE STATES MEETING MAY BE
ARRANGED ONLY AFTER FIRST OF THE YEAR. IN MEAN TIME
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WE CONVEYED TO HIM BY LETTER DATED DECEMBER 19 INFOR-
MATION REF C, WITH REQUEST HE MAKE IT AVAILABLE TO
BUNKERING TEAM MEMBERS. COPIES THIS LETTER ALSO
SENT TO MINMINING AND PERTAMINA.

7. ACTION REQUESTED. WOULD BE USEFUL TO HAVE
GUIDANCE RE THRUST OF U.S. LAW AND PERTINENT REGULATIONS
RE DISCRIMINATION IN BUNKERING: WHAT FORMS ARE
PARTICULARLY OBJECTIONABLE; E.G., INTERISLAND VS.
FOREIGN SHIPPING, DOMESTIC VS. FOREIGN FLAG, DOMESTIC-
OWNED VS. FOREIGN-OWNED. ONE FOREIGN FLAG VS.
ANOTHER, TRADE WITH ONE COUNTRY VS. ANOTHER,
ACCORDANCE OF PRIORITY TO GIVEN COMMODITIES?
GALBRAITH

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